

98-35

From: Tim Ivy <RadioXtreme.gazelle@worldnet.att.net>
To: A4.A4 (SSEGAL)
Date: 7/30/98 1:15am
Subject: Comments to the Chairman

Tim Ivy (RadioXtreme.gazelle@worldnet.att.net) writes:

Dear Mr. Chairman:
cc: Commissioners
Date: 7/29/98
Re: Concerns

Allow me to introduce myself, my name is Tim Ivy and I am a citizen of the greater Chicago area. I am deeply concerned by the existing status of the broadcasting industry - namely radio. I hope to express myself as both a concerned citizen and industry executive with both honesty and as much integrity as possible. I d like to start by allowing you to see what I sent to Rev. Jesse Jackson (Operation Push) some time ago with no response concerning the FYI memo. (Evergreen/Viacom/Chancellor Broadcasitng/Hick Muse Furst Tate Investment Banking outfit probably paid him hush money in the name of educating African American youth about the broadcasting industry). The Last time I heard it was 1 million+ possible 2 million. I don t blame him or his organization though. Odds are they couldn t stop what was coming and at least they got something out of the deal. I wouldn t have made the deal because I have a lot more insight into the industry. As you know money talks and people!

tend to walk so I m going to be straight with you. I am not going to make unsubstantiated allegations, but I just want you and the Commissioners to really think about the following FYI fax to Operation Push:

F.Y.I. FACSIMILE

TO: Africa Porter
FROM: Confidential
TIME: 11:15am cst
PAGES: 4
RE: Evergreen s latest move
CC: Rev. Jackson & Trade Development & Research Department

Per our conversation please find the following:

KATZ Media to be Acquired by Evergreen Media
Concern, Africa we are quickly going back to the days of monopolies in the media industry. What does this new move mean to African American radio ownership?

Now Evergreen Media owns the entire advertising buying/trade process from the radio perspective. It is a very smart move on Evergreen/Chancellor, however they will effectively be able to channel revenues to their stations first, second, third & last both nationally and locally.

Example:

Evergreen owns WVAZ & WGCI in Chicago

If another black own station starts in Chicago they would have to be Repped (represented) by another company. (Note: WGCI now an Evergreen property is currently repped by Interep {another rep company} guess what will change very soon? You guessed it WGCI will soon be a client of KATZ Media). In the big picture as I said when the advertising industry has a slow down what stations will receive national revenue first. Advantage Evergreen. This will squeeze the life right out of competitors during inevitable lean years.

National Level

Radio Station	Rep	Advertising Agency
Advantage EVGM	Advantage EVGM	Stick em up we got the audience and want the loot.

2

They own the entire advertising buying/trade process

Local Level	Rep	Advertising Agency
Advantage EVGM	Advantage EVGM	Stick em up we have all the
black listeners in town.	Loot	

please.

They own so much of the minority listening public that Advertising agencies and businesses locally have no choice but to use those stations they own it won't be possible to buy around them. Radio is the most powerful and intimate source of communicating to African American people Advantage Evergreen match is almost over

Market Examples of the Evergreen Advantage:

1 New York

WBLS	They'd love to own this station (Is price right/Sutton family) perhaps it will never be for sale. New Management in place.
WRKS	Emmis Broadcasting
WQHT	Emmis Broadcasting

2 LA

KKBT

3 Chicago

WVAZ

WGCI

WNUA

WEJM (sold)

4 Philadelphia

WDAS

WUSL

Black Advertising Agencies they're shaking in their boots Advantage Evergreen This entire business enterprise "Burrell, DCA, Uniworld, Mingo Group" is at risk of being high-jacked on the radio advertising seas...forced to pay high prices because of the unfair advantage. Jesse, we need a systematic structure that will lock-down the potential of unfair trade practices.

Employment Advantage Evergreen

Now employees (air personalities, advertising executives, managers etc.) (African Americans or others) that work for Urban (Black Radio) can't go across the street and say if you won't pay me what I'm worth then I will go to WGCI they want me {Advantage Evergreen} or I'll go to WJLB (Detroit) {Advantage Evergreen} or WUSL in Philadelphia and make more money and take my loyal listenership, or client list with me {Advantage Evergreen}

Game over Evergreen (Clear Channel, Emmis Broadcasting, Westinghouse-Infinity-CBS Radio, Disney/ABC Tom Joyner and Doug Banks, Westwood One, Premiere Radio) shuts out African American entrepreneurship.

It's one thing to own the team. But to be a player (call the shots on how much everyone will get paid), make up the new rules, design the new field, own all merchandising rights THEY VIRTUALLY OWN THE ENTIRE LEAGUE this isn't a game it's the NEW PLANTATION and MASSA EVERGREEN AIN'T TAKEN NO CHANCELLOR WITH THE MEDIA (if you know what I mean)

I hope the above information drives a point home that competition is being reduced not expanded. You have a few master of finance that have entered into the media industry and they are more than capitalizing on the opportunity that's been afforded to the few. In writing this and possibly being asked to testify in hearings as a nobody in the industry at some point I know that I probably won't be able to work the industry again unless something changes.

The airwaves are a public trust and they turned into a profit trust. It's frightening. Oh, and about the KATZ memo it's not something that just started it's been that way for a long time. I used to work in New York at a rep firm. I was one of a few minorities in the entire company and the marketing buzz words were that audience or market or station doesn't appeal to our client's psychographic goals. As an African American man I tried not to sound like to angry black man made at the capitalistic society in which we live!

you know, but things in the industry just aren't right. I'm not sure how to change them I've got some ideas as well as some strategies, but I don't have influence, political clout or power. All I am is a black guy struggling to feed his family and not get destroyed while trying to maintain my personal, cultural, and professional integrity. You see Mr. Kennard if I didn't come from a culture of tough people I would have thrown in the towel and sold out a long time ago. It's easy to say nothing take your check and say Yessa Mr. Chancellor, Emmis, Clear Channel but I have a real concern when African American based radio stations are not owned by African American people how much public trust can we truly put in those stations.

Program Directors aren't driven to do things in the interest of the public. They are programmed by corporate suits to win "ratings"/"listeners". Music that's R rated to N-17 at best continues to program black youth quarter hour after quarter hour. Even black radio executives know this, but no one is willing to challenge them in the industry. That's one of the reasons why I no longer work in the industry. You want to know why African American children are more likely to engage in sexual activities, partake in violence, and have a hard time learning in school then take a look at where they are spending their time:

Media	Hours a day (estimates)	
Television	5 hours a day	(BET-TV Videos)
Radio	2 hours a day	

That's 7 hours a day of media not including the audio tapes, CDs, Internet or video games or videos (rentals)

I believe you'll find these estimates very conservative. Public Education can't compete with Corporate Marketing Profit Strategies designed by MBA, Lawyers, Accountants turned Consultants. You've got kids from the hood that go to Wharton, Harvard, NYU, University of Chicago, Dartmouth, Yale, Stanford, Brown, and they turn around and hook up with European classmates that see Huge uneducated Consumers that spell B.I.G. money and that doesn't stand for Black Income Growth either. Bottomline is we (Blacks) don't have access to the capital and when we do get it the market shifts and government supports the shift and we are effectively shut out of the competitive process.

At the risk of sounding like the angry black man I must say I don't understand how any idiot can say that Minorities don't need Affirmative Action. African Americans built this country through slavery for 200 years with no pay. No disrespect to Judge Thomas, but he just doesn't get it. We don't need handouts we need a helping hand. African Americans need a government that will protect the interest of a people that have been historically and systemically discriminated against. The following may sound radical but if Affirmative Action is taken away and restrictions in broadcasting are lifted then implement FCC programs that give African Americans the opportunity to participate as more than just employees (modern day slaves) with a few HNIC. African Americans are running most of these top stations anyway. Chancellor, Clear Channel, or Emmis aren't stupid they know that they must control the power brokers in ethnic communities or they won't have an audience. What about economic development? I know government can't force the hand o!

If current owners to give up ownership unless there is a breach of public trust, but I'll tell you jobs are about to be lost. You will no longer need three sales staffs for the three black stations in Chicago (one which was sold and transformed to a gospel station). You will only need one sales staff with a few more assistance at half the pay. That means that managers, sales executives, research associates, engineers, etc. will be out of work simply

put in government terms those are people who could have been employed and paying taxes in the name of profit they won't be. I hope Chancellors corporate taxes off-set the losses to the US Government and respective states these stations are in then again they've got big time tax accountants and lawyers to make sure they won't pay the US or state government too much.

Sincerely,

Tim Ivy
773.288.3704
1019 W. Madison Street
Suite 116
Oak Park, IL 60302

Server protocol: HTTP/1.0
Remote host: 208.250.68.187
Remote IP address: 208.250.68.187